

COSTS OF WAR



Homeland Security Budget

What have we spent so far on homeland security? The definition of a new homeland security mission and the creation of the new cabinet-level Homeland Security agency after 9/11 constituted the largest re-organization in U.S. government since World War II. Federal spending on the missions associated with homeland security (including prevention and disruption of terrorist attacks and responding to and recovering from attacks) was \$17.1 billion in 2001, before 9/11. After 9/11 \$3.6 billion was immediately added as supplemental spending for the homeland security mission in 2001. In Fiscal Year 2011, homeland security spending reached \$69 billion, nearly twice as high as spending in 2001 after taking inflation into account.^[1]

Total spending from 2001-2011 on Homeland Security has been about \$649 billion.

How much did 9/11 add to spending on homeland security? Although it was not a high priority before the 9/11 attacks, the U.S. would have spent some money on the areas we now identify as homeland security in the last decade, just not as much.

Annual federal spending grew at an average pace of 3 percent during the 1990s. Assuming that homeland security would have grown at a similar pace during the first decade of the 2000s in the absence of 9/11, spending would have only reached \$23 billion by 2011. Homeland security appropriations were thus \$369 billion higher than they would have been had they otherwise grown gradually as the federal budget has grown.

Anthony Cordesman of the Center for Strategic and International Studies described the phenomena of money flowing to the new bureaucracy as "a candy store without a price tag."^[2]

What have state and local governments spent on homeland security? State and local governments have spent more money, but much of this money has been provided by federal grants and so is already calculated above. The extent to which money has been spent but has not been covered by federal grants is difficult to extrapolate due to insufficient data. It may be the case that resources are expended for homeland security by taking away resources from other needs.

According to a U.S. Conference of Mayors' survey, in the 15 months following September 11, cities spent \$2.6 billion in additional homeland security costs. A survey of nearly 150 cities found that cities were spending an additional \$21 million per week in additional direct homeland security costs because of the war and threat alerts. The Conference extrapolated the figure to conclude cities nationwide were spending \$70 million per week more on homeland security than they had before 9/11.^[3]

KEY FINDINGS

- Annual federal spending on homeland security mission has doubled since 2001. Total federal spending on homeland security since 9/11 has reached nearly \$650 billion in current dollars.
- There was little attention to homeland security as a mission prior to 9/11. If federal appropriations for homeland security had grown at the same rate as the rest of federal spending, total appropriations would have been much lower.
- The U.S. spent \$369 billion in current dollars more than it would have spent, which translates to more than \$400 billion in constant 2011 dollars.
- State and local government spending on homeland security is often reimbursed by the federal government but some of the spending is not reimbursed.

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^[1] This calculation takes the original homeland security spending for 2001 without the supplemental that occurred due to 9/11.

^[2] Ibid.

^[3] U.S. Conference of Mayors, "Survey on Cities' Direct Homeland Security Cost Increases Related to War/High Threat Alert," March 2003.

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